

VZCZCXRO9165
PP RUEHFK RUEHKSO RUEHNAG RUEHNH
DE RUEHKO #2085/01 2120804
ZNR UUUUU ZZH
P 300804Z JUL 08
FM AMEMBASSY TOKYO
TO RUEHC/SECSTATE WASHDC PRIORITY 6172
INFO RUEKJCS/SECDEF WASHDC PRIORITY
RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY
RUEAWJA/USDOJ WASHDC PRIORITY
RULSDMK/USDOT WASHDC PRIORITY
RUCPDOG/USDOC WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHDC//J5//
RHHMUNA/HQ USPACOM HONOLULU HI
RHHMHBA/COMPACFLT PEARL HARBOR HI
RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA//
RHMFIUU/USFJ //J5/JO21//
RUYNAAAC/COMNAVFORJAPAN YOKOSUKA JA
RUAYJAA/CTF 72
RUEHNH/AMCONSUL NAHA 1473
RUEHFK/AMCONSUL FUKUOKA 9099
RUEHOK/AMCONSUL OSAKA KOBE 2829
RUEHNAG/AMCONSUL NAGOYA 7303
RUEHKSO/AMCONSUL SAPPORO 9682
RUEHBJ/AMEMBASSY BEIJING 4617
RUEHUL/AMEMBASSY SEOUL 0609
RUCNDT/USMISSION USUN NEW YORK 0996

UNCLAS SECTION 01 OF 09 TOKYO 002085

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA;
WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION;
TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;
SECDEF FOR JCS-J-5/JAPAN,
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR;
CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 07/30/08

INDEX:

- (1) USPACOM stiffes mayor of Ginowan, though he was met in 2004:
"Futenma is handled by bilateral negotiations" (Ryukyu Shimpo)
- (2) Rebuilding the Ministry of Defense (Part 1): Focus on middle
headquarters (Nikkei)
- (3) Rebuilding the Ministry of Defense (Part 2): A wall to SDF
overseas dispatch; Discussion stalled under divided Diet (Nikkei)
- (4) DPJ accelerating offensive; "Lower House dissolution has come
closer," says Ozawa (Sankei)
- (5) Six-party talks and Japan-North Korea talks: Japan finding
itself isolated; Key may lie in what to do about sanctions against
North Korea (Yomiuri)
- (6) Local governments continuing BSE testing for fear of backlash
from consumers: Also motivated by desire to maintain brand names
(Mainichi)

ARTICLES:

- (1) USPACOM stiffes mayor of Ginowan, though he was met in 2004:
"Futenma is handled by bilateral negotiations"

RYUKYU SHIMPO (Page 1) (Excerpts)
Eve., July 29, 2008

Yoko Hishima in Honolulu, Hawaii

A delegation led by Ginowan City Mayor Yoichi Iha is now in Hawaii in order to make an appeal to the United States Pacific Command (PACOM) to halt operations at Futenma Air Station. The group visited PACOM headquarters on the morning of the 28th, but their letter requesting a meeting was rejected. A public affairs spokesperson at PACOM told the group: "We cannot accept this unless it comes through an official route, such as the U.S. Embassy." According to a communication from the office of a U.S. senator who has been coordinating a meeting for the delegation with PACOM, at Iha's request, the meeting was refused for such reasons as, "The issue of Futenma Air Station is being handled through bilateral diplomatic negotiations."

Regarding the danger of that U.S. base, the local heads planned a visit to the U.S. to make a request, carrying documents stating that the base was in violation of the safety standards of the U.S. military itself, as indicated in the master plan for Futenma Air Station.

USPACOM met with Mayor Iha in 2004, so this was the first time for a meeting to be refused. Mayor Iha stated: "The U.S. military was really on its guard. Perhaps this touches on a raw point that the danger aspect has been neglected. We will continue to make our request of the U.S. military, as well as work on our Diet and their Congress so that the issue will be put on the table for discussion by the Japanese and U.S. governments."

(2) Rebuilding the Ministry of Defense (Part 1): Focus on middle headquarters

TOKYO 00002085 002 OF 009

NIKKEI (Page 2) (Full)
July 29, 2008

"There are too many people between the SDF and the defense minister. There is no information directly from those on the frontline, and they are not well aware of decisions from the top."

In late June, when a government advisory panel to reform the Defense Ministry was finalizing a report on its recommendations, Defense Minister Shigeru Ishiba attended an informal study meeting of those from the private sector and emphasized the necessity of restructuring the Self-Defense Forces. Ishiba was so upset that everybody kept mum.

The SDF—broken down into the three services of the Ground, Maritime, and Air Self-Defense Forces—is a multistratified entity of front-deployed troops, middle headquarters, and their respective staff offices. The "too many people" in Ishiba's words denoted the middle headquarters. On July 15, the advisory panel presented Prime Minister Yasuo Fukuda with its report recommending the government to review the middle headquarters and their modality.

A senior official of the Defense Ministry read the report and then recalled Ishiba's initiative to abolish the GSDF's five regional army headquarters across the country and unify their chains of command. The Ishiba initiative went up in smoke. For one thing, it is difficult to unify their commands of 150,000 troops. For another, there was a backlash from the GSDF against reducing its posts. "We're being targeted again," said one GSDF officer.

Ishiba has declared that he would envision abolishing the GSDF, MSDF, and ASDF staff offices. Fukuda was worried about repulsion from within and outside the Defense Ministry, so he consulted with National Defense Academy President Makoto Iokibe, who is one of Fukuda's brain trust and a member of the advisory panel. Fukuda planned to reform the Defense Ministry while retaining the Defense Ministry's internal bureaus and the SDF's staff offices. With this plan, Fukuda explored a soft landing. On May 4, Fukuda called in Ishiba to a Tokyo hotel, where Fukuda persuaded Ishiba with Iokibe assisting.

"This is not enough." With this, Ishiba challenged Iokibe. Fukuda then told Ishiba, "Idealism alone is no good." Ishiba, driven by a strong sense of crisis, tried to roll back. Ishiba stuck to his

argument in the study meeting. Chief Cabinet Secretary Nobutaka Machimura couldn't stand seeing Ishiba in a fix. "It's an advisory panel's report, not a policy paper of the government." So saying, Machimura soothed Ishiba. In the end, Fukuda and his aides tried to reach a settlement with a compromise plan that incorporated the standpoints of both sides.

In its report, the advisory panel also suggests the need for the Defense Ministry's internal bureaus and the SDF's staff offices to integrate their respective defense buildup planning sections. "This would be the key point in the Defense Ministry's future discussion," said a lawmaker of the ruling Liberal Democratic Party's defense policy clique. The GSDF, MSDF, and ASDF staff offices formulate their own weaponry procurement blueprints and timetables for their respective services on the front. Their 'wish lists' are given much consideration and clearly reflected in the Defense Ministry's budget request, so the Defense Ministry's bureaucracy is strongly reluctant about that integration. Over the past decade or so, there has been

TOKYO 00002085 003 OF 009

no change in the way of budget allocations to the GSDF, MSDF, and ASDF. Ishiba called this a "stiffened" formula. "This is basically the same as scandals-in the sense of negative effects from bureaucratic sectionalism," he said.

(3) Rebuilding the Ministry of Defense (Part 2): A wall to SDF overseas dispatch; Discussion stalled under divided Diet

NIKKEI (Page 2) (Abridged slightly)
July 30, 2008

"The ultimate question would be whether or not the legislation necessary for the overseas dispatch of SDF troops can clear the Diet." A meeting was held on the morning of July 1 at the Prime Minister's Official Residence (Kantei) among Chief Cabinet Secretary Notubaka Machimura, Foreign Minister Masahiko Koumura, and Defense Minister Shigeru Ishiba. At the top of the agenda was the propriety of sending Self-Defense Force troops to Afghanistan.

Objections from ruling bloc

With the aim of coming up with a direction before the G-8 summit, scheduled to open at Lake Toya on July 7, the attendants also considered specific steps, but when the topic turned to new legislation, silence enveloped the room. The meeting ended as a mere brainstorming exercise. Eventually Prime Minister Yasuo Fukuda, in a bilateral summit meeting, told President George W. Bush that the matter had bogged down. The government dropped a plan to send the SDF to Afghanistan for the time being.

The government and Kantei have repeatedly pointed out the need to send troops to Afghanistan, but centering on the Defense Ministry, concern exists over ensuring safety. There has been a clash between the need for international contributions and concern over safety. The dispatch to the UN Mission in Sudan (UNMIS) has been the only SDF overseas mission that has been decided on since Fukuda took office.

Further, the future remains unclear for the Maritime Self-Defense Force's refueling operations in the Indian Ocean, which have been extended to January 15, 2009, with a two-third Lower House override vote. Concerned about the timing of the next Lower House election, the New Komeito has called for shelving the legislation in defiance of the government and Liberal Democratic Party's desire for another extension. New Komeito Upper House Caucus Secretary General Kentaro Koba said: "Some are wondering if the refueling operations must truly be extended in the extraordinary Diet session." Democratic Party of Japan Secretary General Yukio Hatoyama, too, applied pressure to the government, saying: "There is always room for discussion on matters other than refueling at sea." The wall of the divided Diet blocks the path to SDF overseas missions.

"I want to see Japan make efforts to realize peace in Iraq and Afghanistan," U.S. Ambassador to Japan J. Thomas Schieffer categorically told the press corps after his meeting with the prime minister yesterday. The Ambassador called for Japan's continued

commitment to Iraq in addition to Afghanistan because there is a high hurdler for the Air Self-Defense Force's airlift operations in Iraq.

The UN resolution, the basis for the stationing of the multinational forces, including the ASDF, expires at the end of this year. The

TOKYO 00002085 004 OF 009

continuation of the airlift operations requires the conclusion of a status of forces agreement with the Iraqi government. The opposition bloc is certain to oppose it. The Nagoya High Court ruled in April that the ASDF activities are unconstitutional.

Searching for ways to pull out of Iraq

LDP Secretary General Bunmei Ibuki, meeting the press yesterday, reiterated the policy course of withdrawing from Iraq by the end of the year, pointing to the difficulty of offering an explanation after the UN resolution expires. Foreign Affairs Research Commission Chairman Taku Yamasaki and others also share Ibuki's view. The government is considering a response with a pullout before year's end in mind.

The Defense Ministry and Self-Defense Forces fear that the venues of activities might be narrowed down even though international peacekeeping cooperation activities have been upgraded to a primary duty. Although Ishiba is obsessed with the enactment of a permanent law (general law), the matter remains in limbo. A senior ministry official hesitantly said: "There is the matter of the Japan-U.S. alliance. We shouldn't say 'no' to everything, but ..."

An LDP national defense joint meeting was held yesterday morning. In the session, Yasukazu Hamada, who has put together the party's Defense Ministry reform plan, complained to Ishiba and other senior Defense Ministry officials, saying: "Final decisions must be made at the end of the year about Iraq and the Indian Ocean, yet the Defense Ministry seems to lack any sense of crisis." A long road to recovery lies ahead of the Defense Ministry, which is still tied up with the issue of misconduct by its members.

(4) DPJ accelerating offensive; "Lower House dissolution has come closer," says Ozawa

SANKEI (Page 5) (Slightly abridged)
July 29, 2008

The main opposition Democratic Party of Japan (DPJ) is determined to step up its political offensive, while the government of Prime Minister Yasuo Fukuda is wavering over shuffling the cabinet and when to convene an extraordinary Diet session. Meanwhile, DPJ President Ichiro Ozawa began a tour of five Rengo (Japan Trade Union Confederation) prefectural chapters, which have a large membership. He met yesterday in Yokohama with senior officials of the Kanagawa chapter. The five Rengo chapters could determine whether the DPJ will be able to win the next House of Representatives election. After the meeting on the 28th, Ozawa stated: "My perception has become stronger that Lower House dissolution and general elections would be held earlier than expected." The DPJ intends to grill the government and ruling coalition over the pension-record fiasco, the controversial health insurance system for people aged 75 or older, and high prices at the next extraordinary Diet session. It also plans to force Fukuda to dissolve the Lower House and carry out a snap election.

"The reason why I had said that the Lower House would be dissolved six months later, including Lower House dissolution at the beginning of the next regular Diet session in early next year, was because I thought that there would be a way to dissolve the Lower House after the government compiled a lavish budget. However, the government won't be able to take even this method. Since there will be no

TOKYO 00002085 005 OF 009

benefit to further delaying, we should be ready for an early Lower House dissolution."

Ozawa indicated in his remark that there would be Lower House dissolution before the end of this year, or at the beginning of the next regular Diet session.

He then continued: "My term of the presidency will run until September. So I want to do whatever I can during my tenure in office." Senior DPJ officials share Ozawa's view. Prior to going to Yokohama, Ozawa held a meeting with Deputy President Naoto Kan, Upper House Chairman Azuma Koshiishi, Secretary General Yukio Hatoyama, and Diet Affairs Committee Chairman Kenji Yamaoka.

In the meeting, the five DPJ leaders shared the view that Lower House dissolution would occur earlier than expected and that the party should be ready for the election. They also agreed to make new flyers for the Lower House election.

Ozawa will conduct his stumping tour of Kanagawa, Hokkaido, Tokyo, Saitama, and Osaka until early August. Of the 300 electoral districts, the five prefectures have a total of 89 districts. "His stumping is aimed at winning the election."

Ozawa told senior officials of the Rengo Kanagawa chapter: "In order to hold a majority, I would like you to help us secure seats in large cities where we lost many seats in the previous election."

Kan started on July 23 his nationwide political tour to teach new candidates election campaigning. Hatoyama and other senior officials are accelerating their stumping tours.

The DPJ, meanwhile, decided in a meeting on July 28 to put off a decision on the issue of whether to attend the extra session, with a senior member saying: "Since the government and ruling camp haven't decided on when the extra session will be convened, we don't need to show our cards." The party intends attend the session to challenge with debate, with Hatoyama saying: "The public strongly hopes that we will pursue the government."

(5) Six-party talks and Japan-North Korea talks: Japan finding itself isolated; Key may lie in what to do about sanctions against North Korea

YOMIURI (Page 13) (Slightly abridged)
July 29, 2008

Now that Six-Party Talks are about to start discussions on the third stage of North Korea's denuclearization process, will Japan be able to find a way to break the impasse in its own bilateral talks with that country?

Japan at first aimed at linking the issue of abducted Japanese nationals to the timing of the decision by the United States to remove North Korea from its lists of states sponsoring terrorism. But this diplomatic strategy has failed. The U.S. is now pushing ahead with the delisting process despite the lack of progress on the abduction issue. The North is determined to wait for the U.S. to implement its delisting decision on Aug. 11. If the U.S. takes the North off the list, Pyongyang will likely to accelerate moves to improve relations with Washington. North Korea intends to open a liaison office or a trade representative office in Washington and

TOKYO 00002085 006 OF 009

have the U.S. set up a similar office in Pyongyang, though it is not clear whether this would be done under the Bush administration or the next one.

The premise for this dreamlike plan envisioned by the North in order to ensure its regime's survival is of course denuclearization. But it is still uncertain whether North Korea is serious about tackling the challenge of denuclearization. In discussing ways to verify the contents of the nuclear report, too, North Korea has not expressed its clear intention.

In a meeting of the six-party chief envoys held in Beijing on July 10-12, Vice Foreign Minister Kim Gye Gwan, North Korea's chief negotiator, said:

"Instead of denuclearization that leads just to our nation's unilateral disarmament, it should be moving toward a goal of resolving the hostile relationship between North Korea and the U.S. and removing the threat of an all out nuclear war on the Korean Peninsula and the region."

Even if inspectors start verifying past operations at three key nuclear facilities, including the 5,000 kilowatt nuclear reactor in Yongbyon, Kim's statement will make it difficult to promote the verification process. Even if the process reaches the final stage of confirming the location of nuclear weapons and extracted plutonium and then removing them from the country, North Korea would delay the scrapping of its nuclear weapons, by insisting on the need to verify if there are tactical nuclear weapons at U.S. military facilities in South Korea.

In the latest round of Six-Party Talks, the members agreed to set up a system to monitor the state of implementation of obligations. Under this agreement, the six participants are obliged to implement their promises, including economic and energy assistance to the North. North Korea might use this agreement to drive Japan into a corner.

In the second phase, energy assistance equivalent to 950,000 tons of heavy oil is to be provided to Pyongyang in exchange for North Korea's completion of disablement of all its nuclear facilities. Japan has refused to offer energy assistance, citing there has been no progress on the abduction issue.

In the latest talks, all participants, excluding Japan, agreed to complete the second stage - the North's completion of disablement of its nuclear facilities and delivery of economic and energy assistance by the end of October. Japan's failure to fulfill its obligations might be taken up as a problem.

Assistant Secretary of State Christopher Hill, the chief U.S. envoy to the talks, once said: "I don't think North Korea is concerned about from where the energy would come from," indicating the possibility that a third nation could shoulder Japan's obligation, on the assumption of South Korea assuming Japan's share. The emergence of a diplomatic dispute between Japan and South Korea over Japan's reference to the Takeshima issue in a teaching manual for middle schools has made it impossible for the South Korean government to take over Japan's obligation. Japan now finds itself isolated.

In order for Japan to extricate itself from a diplomatic dead end,

TOKYO 00002085 007 OF 009

it has no other choice but to continue to urge North Korea to move ahead with the reinvestigation of the abduction cases as it promised in official bilateral talks in June. To do so, North Korea might strongly insist that Japan partially lift its sanctions against it.

If Japan judges it impossible to lift sanctions out of concern about the public's reactions, it may have to take a wait-and-see attitude for the time being. At any rate, the government should first explain to the people that national interests are involved, and then make the decision.

(6) Local governments continuing BSE testing for fear of backlash from consumers: Also motivated by desire to maintain brand names

MAINICHI (Page 3) (Full)
July 29, 2008

Local governments have decided to continue BSE testing on cattle twenty months of age or younger on their own account, revealing that the divergence of views with the central government, which insists that such a test is unnecessary, remains unchanged. Although they are aware that the scientific grounds for such a test are weak, local governments made the decision in order to give priority to upholding local brand names of beef. Although some experts object to the method of handling beef after inspection, from the standpoint of ensuring safety, the debate continues to focus solely on whether

blanket inspections should be carried out or not. Experts have pointed out that measures to dispel consumer anxieties over food safety have yet to be taken.

Queried about the meaning of local governments continuing the own inspection of cattle twenty months of age or younger, a BSE inspector in Miyagi Prefecture said, "Unlike private companies, there are things that local governments have to carry out even if it runs us into debt." This official said that slaughterhouses in the prefecture take thoroughgoing measures to prevent infection, including the removal of spinal cords, a specified risk material (SRM). He proudly said that he was confident of the safety of meat processed in the prefecture. However, if the prefecture were to ask people about their views after explaining this situation, a majority would still be bound to say that they still wanted blanket cattle inspection. In the end, the prefecture decided to continue the inspections to make sure that consumers "felt at ease."

Local governments are also motivated by a desire to protect local brand names. A livestock farmer (59) in Konan City, Shiga Prefecture, who raises Omi-brand cattle, said, "I want to ship products that have passed the strictest inspection in the world in order to offer quality beef to consumers." An official in charge of BSE inspection in another prefecture revealed, "If we do not carry out full inspections, consumers would criticize us, asking us why our prefecture is different from other prefectures." Hokkaido, where more than 10 PERCENT of Japan's beef is produced, earmarked 35 million yen for inspections as a special budget item. One official categorically said, "It is important to obtain the public's understanding. We do not mind how much tests cost."

The Fair Trade Commission's stance is that it is a violation of the Law Preventing Unjustifiable Extra and Misleading Representation for beef producers to advertise the safety of their meat because it came from cattle that underwent inspection, when beef from cattle that had not undergone testing was also on the market since their age was

TOKYO 00002085 008 OF 009

twenty months or younger. However, there is no guarantee consumers would look at both types of beef free from prejudice.

An official from Tokushima Prefecture said that if there is no cattle inspection, the risk of BSE would increase. This official pointed out, "Since there are some unknown elements about BSE in scientific terms, it is not possible to categorically state that beef from cattle twenty months or younger is safe."

Possible impact on negotiations with U.S.

Local governments continuing blanket cattle inspection after August may affect the easing of conditions for U.S. beef imports, of which the age restriction is the single most contentious issue.

The U.S. is seeking a total abolition of age restrictions. Japan is asking the U.S. to submit scientific data, insisting that the U.S. has yet to provide evidence that proves the safety of beef from cattle (21 months of age or older)."

Some government officials have, however, floated a proposal to ease the age restriction from the cattle twenty months of age or younger to under 30 months. The idea is based on the stance of other U.S. beef importing countries.

South Korea in April agreed to abolish the age restriction on beef imported from the U.S. However, meeting fierce opposition from the public, the government held talks once again and reached an agreement to approve imports of beef from cattle under 30 months of age.

However, if local governments continue blanket cattle inspections, while the central government eases U.S. beef import conditions, consumers are bound to differentiate domestic beef from U.S. beef more strictly.

Government stand not understood: No BSE infection cases reported among cattle 20 months of age or younger

The Ministry of Health, Labor and Welfare (MHLW) in August 2005 eased inspection standards and explained to local governments and consumers that there would be no change in beef safety, even if inspections of cattle 20 month of age or younger were discontinued.

Thirty-five cows have tested BSE positive in Japan since the first discovery of a BSE-infected cow in September 2001. The birth dates of those 35 cows can be divided into two timeframes -- (1) from December 1995 to August 1996 and (2) from July 1999 to January 2002. The government speculates that prions, which are thought to cause BSE, mixed into feed grains eaten by cows in the group 1 and then cows in the group 2 were infected with BSE, as they ate meat and bone meal made from cows in the group 1. The oldest cows that were made exempt from inspection following eased guidelines were born in July 2003. Since the use of meat and bone meal was already banned in October 2001, it is unlikely that the infection was caused through the conventional route.

Motohiro Horiuchi, a professor of veterinary science at Hokkaido University Graduate School and a member of the Prion Expert Research Council of the Food Safety Commission, pointed out, "There have been no infection cases reported among cows twenty months old or younger. We have sufficient data on calves. As such, there is no scientific

TOKYO 00002085 009 OF 009

meaning in continuing blanket cattle inspection." One official in the MHLW even said, "Any way, tax money is used for such an inspection. It is nothing but a waste of tax payers' money."

To begin with, does blanket cattle inspection ensure beef safety? According to World Organization for Animal Health (OIE), BSE-infection risk in Japan is much higher than in the U.S. The reason is because Japan does not totally ban pithing, even though the OIE has urged all countries to do so as a necessary measure to prevent BSE.

If the pithing method is used on infected cows, there is the danger of parts other than SRM being infected. The MHLW in October 2001 gave the instruction to local governments that it is desirable that they stop pithing. However, a majority of slaughter houses continue the practice.

Concerning the removal of SRM as sought by the OIE, Japan, where there is a custom of eating ox tongues, has yet to set a method of removing the tonsils located at the back of a tongue. Experts are calling for establishing clear guidelines for such.

Tadashi Kobayashi, a professor of science and technology at Osaka University, urged the government, noting, "It cannot be helped that consumers are harboring anxieties. The government by just reiterating that (U.S. beef) is safe in scientific terms will not narrow the gap with consumers. It is necessary for it to make efforts to obtain consumers' understanding by telling them who is responsible and how."

SCHIEFFER